



EB-2007-0017

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ONTARIO ENERGY BOARD

January 17, 2007

Kirsten Walli, Board Secretary
Ontario Energy Board
PO Box 2319
2300 Yonge St, 27th Floor
Toronto, Ontario, M4P 1E4

22/1

Re: RP-2004-0203 / EB-2005-0206 – Approved CDM Programs – London Hydro

London Hydro received approval for CDM programs covering \$2,836,792 on March 17, 2005. This plan included the following programs and budgets:

<u>Program</u>	<u>Original Budget</u>	<u>Current Budget</u>
1. Traffic & Pedestrian Signals Upgrade	\$ 808,500	\$ 526,664
2. Residential PowerCost Monitor	\$ 50,000	\$ 50,000
3. Residential Appliance Recycling Program	\$ 842,500	\$ 1,429,336
4. Commercial Sector Energy Efficiency	\$ 304,000	\$ 304,000
5. Distribution Shut Capacitor Program	\$ 125,000	\$ 0
6. Combined Heat & Power Opportunity	\$ 30,000	\$ 30,000
7. Energy Awareness in Classroom Program	\$ 100,000	\$ 100,000
8. LCBO Warehouse Makeover Program	\$ 100,000	\$ 100,000
9. Residential Summer Comfort Program	\$ 25,000	\$ 25,000
10. Demand Response Technologies	\$ 69,000	\$ 69,000
11. THAW Plus Program	\$ 50,000	\$ 50,000
12. Putting Our Own House in Order	\$ 33,000	\$ 32,792
13. Community One-Tonne Challenge	\$ 225,000	\$ 45,000
14. Public Education Campaign	\$ 75,000	\$ 75,000
Total	\$ 2,837,000	\$ 2,836,792

The value of \$2,836,792 matches the approved value in the CDM decision and reconciles to the 3rd portion of the MBRR calculated in the original unbundling rate application.

As of December 31, 2006, London Hydro has approximately \$505,000 remaining to spend from our CDM budget.

Previously London Hydro (as seen in the current budget and original budget comparisons above) has moved almost 20% of our total CDM budgets between programs. As the CDM experience has moved along, anticipated costs have changed and some of London Hydro program offerings have not developed as anticipated while others have been more successful than anticipated. The result is a requirement to adjust our individual program offerings and budgets above and beyond the 20% threshold. Below is London Hydro requested new budget amounts:

OEB BOARD SECRETARY	
File No:	SubFile:
Panel	
Licensing	N. McKay
Other	
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<u>Program</u>	<u>Original Budget</u>	<u>Current Budget</u>	<u>Proposed Budget</u>
1. Traffic & Pedestrian Signals Upgrade	\$ 808,500	\$ 526,664	\$ 532,536
2. Residential PowerCost Monitor	\$ 50,000	\$ 50,000	\$ 61,734
3. Residential Appliance Recycling Program	\$ 842,500	\$ 1,429,336	\$ 1,852,634
4. Commercial Sector Energy Efficiency	\$ 304,000	\$ 304,000	\$ 229,318
5. Distribution Shunt Capacitor Program	\$ 125,000	\$ 0	\$ 0
6. Combined Heat & Power Opportunity	\$ 30,000	\$ 30,000	\$ 0
7. Energy Awareness in Classroom Program	\$ 100,000	\$ 100,000	\$ 187,046
8. LCBO Warehouse Makeover Program	\$ 100,000	\$ 100,000	\$ 0
9. Residential Summer Comfort Program	\$ 25,000	\$ 25,000	\$ 62
10. Demand Response Technologies	\$ 69,000	\$ 69,000	\$ 3,714
11. THAW Plus Program	\$ 50,000	\$ 50,000	\$ 0
12. Putting Our Own House in Order	\$ 33,000	\$ 32,792	\$ 32,792
13. Community One-Tonne Challenge	\$ 225,000	\$ 45,000	\$ 1,289
14. Public Education Campaign	\$ 75,000	\$ 75,000	\$ 257,667
Total	\$ 2,837,000	\$ 2,836,792	\$ 3,158,792
Less incremental OPA funds received for program # 3			\$ 322,000
Total CDM budget from Rate Payers			\$ 2,836,792

Program #5 (Distribution Shunt Capacitor Program), #6 (Combined Heat and Power Opportunity), #9 (Residential Comfort Program), #10 (Demand Response Technologies), #11 (Thaw Plus Program) and #13 (Community One-Tonne Challenge) either did not receive support from our rate payers or were deemed to be less efficient than other programs in our approved list and as a result spending has been stopped on these programs.

We are requesting to transfer the funds from the listed programs to London Hydro's more successful and efficient programs (i.e. Residential Appliance Recycling, Energy Awareness in Classroom and Public Education Campaign).

The LCBO Warehouse Makeover program is being rolled into the Commercial Energy Efficiency program as this customer is in the commercial sector a separate program is not required. This will give London Hydro more flexibility in the event that the LCBO program does not come to fruition as expected and will allow us to spend the CDM funds within the intended customer class.

As the 3rd Tranche CDM regime comes to a close, London Hydro will require the ability to shift minor dollars between programs to ensure the entire \$2,836,792 is properly spent. This letter along with requesting approval to adjust our program budgets, is also requesting to reset London Hydro's 20% threshold, therefore giving London Hydro the required freedom and flexibility to manage our 3rd Tranche CDM money over the next 8 months.

As this request does not impact distribution rates and there is not a material impact to any London Hydro customers, we request that this matter be dealt with by the OEB without a full public hearing (written or oral) and be dealt with in a swift manner.

If you require any further information, please contact me directly.

Sincerely,


 Ian McKenzie
 Regulatory Analyst
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